

## Message Text

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PAGE 01 STATE 077995  
ORIGIN AF-10

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05  
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07  
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 /121 R

DRAFTED BY AF/W:EESVENDSEN:GAR  
APPROVED BY AF/W:TWMSMITH  
EB/IFD/OIA:WBLACK

-----005330 271746Z /47

R 261559Z MAR 78  
FM SECSTATE WASHDC  
TO AMEMBASSY MONROVIA

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E.O. 11652: N/A

TAGS: ENRG, EINV, LI

SUBJECT: LIBERIA REFINING COMPANY (LRC)

REF: A) MONROVIA 1841; B) MONROVIA 1465

1. DYNALECTRON GENERAL COUNSEL DAVID REICHARDT TELEPHONED AF/W ON MARCH 23 TO PROVIDE UPDATE ON LRC NEGOTIATIONS. AFTER DISCUSSIONS IN LONDON MARCH 15-17 AMONG REICHARDT, FINANCE MINISTER JAMES T. PHILLIPS, AND DEPUTY FINANCE MINISTER GERALD PADMORE, THE LIBERIANS RETURNED TO MONROVIA WITH A NEW PROPOSAL FROM DYNALECTRON TO PRESENT TO PRESIDENT TOLBERT. ACCORDING TO REICHARDT, THE NEW PROPOSAL IS BASED ON A FORMULA INSISTED UPON BY PHILLIPS THAT IF GOL MUST GIVE UP A PERCENTAGE OF THE \$3.4 MILLION IN ADDITIONAL CLAIMS (REF B), THE U.S. STOCKHOLDERS MUST GIVE UP AN EQUAL PERCENTAGE RPT PERCENTAGE OF THE \$9  
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MILLION SALE PRICE.

2. THE MATHEMATICAL CALCULATIONS BEHIND THE PROPOSAL ARE QUITE ABSTRUSE, AND REICHARDT IS FORWARDING THE DEPARTMENT AN EXPLANATORY LETTER. (AF/W WILL POUCH EMBASSY A COPY UPON RECEIPT.) HOWEVER, IT APPEARS THAT THE NEW SALE PRICE OF THE REFINERY IS \$7.675 MILLION,

AND ADDITIONAL YIELDING BY THE COMPANIES ON ANOTHER  
POINT REGARDING THE LEGAL CLAIM TO THE MORTGAGE WILL

SAVE THE GOL AN ADDITIONAL \$850 THOUSAND, A TOTAL SAVING  
OF \$2.175 MILLION.

3. DEPARTMENT WOULD APPRECIATE ANY INFORMATION EMBASSY  
MAY DEVELOP ON THE CURRENT SITUATION. REICHARDT SAYS  
THE DYNALECTRON PROPOSAL IS A RELATIVELY SHORT DOCUMENT  
WHICH, IF APPROVED, WOULD REQUIRE APPROXIMATELY ONE WEEK  
TO DRAW TOGETHER AN IRON-CLAD FINAL AGREEMENT. HE FEELS  
IT IS NOT SUSCEPTIBLE TO MISINTERPRETATION BY EITHER  
PARTY. HE SAYS THAT PHILLIPS WILL PROBABLY ENDORSE  
THE PROPOSAL TO TOLBERT, ALTHOUGH HOW STRONGLY IS  
UNCERTAIN. DYNALECTRON IS ALSO DRAWING UP CONTINGENCY  
PLANS SHOULD THIS LATEST IN THE SERIES OF PROPOSALS  
FAIL TO RECEIVE GOL APPROVAL, BUT DECLINED TO SPECULATE  
ON WHAT THEY MIGHT BE.

VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NEGOTIATIONS, REFINERIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE077995  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** EESVENDSEN:GAR  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780133-0054  
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**Litigation History:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Reference:** 78 MONROVIA 1841, 78 MONROVIA 1465  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Event:**  
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**TAGS:** ENRG, EINV, LI, LRC  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014